

Jefferson Davis Parish
Tourist Commission
Jennings, Louisiana

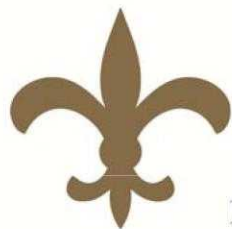
FINANCIAL REPORT

Year Ended June 30, 2014

Jefferson Davis Parish Tourist Commission
June 30, 2014

Table of Contents

	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report		1-2
Basic Financial Statements		
Government-Wide Financial Statements (GWFS):		
Statement of Net Position	A	4
Statement of Activities	B	5
Funds Financial Statements (FFS):		
Balance Sheet – Governmental Funds	C	7
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	D	8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Government Funds	E	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	F	10
Notes to Basic Financial Statements		12-24
Required Supplementary Information:		
General Fund:		
Budgetary Comparison Schedule	Schedule 1	26
Notes to Budgetary Comparison Schedule		27
Other Reports:		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		29-30
Schedule of Findings and Questioned Costs		31



J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546
768 Parish Line Road • DeRidder, Louisiana 70634

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

Report on the Financial Statement

I have audited the accompanying financial statements of the governmental activities and each major fund of the Jefferson Davis Parish Tourist Commission (the Commission), a component unit of the Jefferson Davis Parish Policy Jury, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Jefferson Davis Parish Tourist Commission as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 26 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated December 31, 2014, on my consideration of the Jefferson Davis Parish Tourist Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliances and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jefferson Davis Parish Tourist Commission's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "J. Aaron Coogan, CPA, LLC". The signature is written in a cursive, flowing style.

Certified Public Accountant

Jennings, Louisiana
December 31, 2014

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

STATEMENT A**JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana****Statement of Net Position
June 30, 2014**

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 322,860
Investments - certificates of deposit	186,051
Receivables	91,880
Prepaid expenses	2,845
Total current assets	<u>603,636</u>
 Noncurrent assets:	
Capital assets, net of depreciation	<u>30,245</u>
Total noncurrent assets	<u>30,245</u>
 Total assets	<u><u>\$ 633,881</u></u>
 LIABILITIES	
Current liabilities:	
Accounts, salaries, and other payables	\$ 16,031
 Noncurrent liabilities:	
Accrued compensated absences	<u>4,375</u>
Total liabilities	<u>20,406</u>
 NET POSITION	
Net investment in capital assets	30,245
Unrestricted net position	583,230
Total net position	<u><u>\$ 613,475</u></u>

The accompanying notes are an integral part of this financial statement.

STATEMENT B

**JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana**

**Statement of Activities
For the Year Ended June 30, 2014**

	Expenses	Program Revenues	Net (Expense) Revenue and Change in Net Position Governmental Activities
GOVERNMENTAL ACTIVITIES			
Promotion of tourism	\$ 399,867	\$ -	\$ (399,867)
Total governmental activities	<u>\$ 399,867</u>	<u>\$ -</u>	<u>\$ (399,867)</u>
GENERAL REVENUES			
Sales taxes:			
Local collections			147,229
State appropriations			143,226
Miscellaneous			30,251
Intergovernmental			66,830
Interest			626
Total general revenues			<u>388,162</u>
CHANGE IN NET POSITION			(11,705)
NET POSITION, BEGINNING			<u>625,180</u>
NET POSITION, ENDING			<u>\$ 613,475</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS (FFS)

STATEMENT C**JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana****Balance Sheet - Governmental Fund
June 30, 2014**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 322,860
Investments - certificates of deposit	186,051
Receivables	<u>91,880</u>
TOTAL ASSETS	<u><u>\$ 600,791</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts, salaries, and other payables	<u>\$ 16,031</u>
 Fund balance:	
Unassigned	<u>584,760</u>
Total fund balance	<u><u>584,760</u></u>
 TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 600,791</u></u>

The accompanying notes are an integral part of this financial statement.

STATEMENT D

**JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana**

**Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2014**

Total fund balance for governmental fund (Statement C)	\$ 584,760
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Other assets used in governmental activities that are not financial resources, and therefore, are not reported in the governmental funds.	
Prepaid expenses	2,845
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Capital assets	38,666
Less: accumulated depreciation	(8,421)
General long-term debt of governmental activities are not payable from current resources and, therefore not reported in the funds.	
Compensated absences payable	(4,375)
Total net position of governmental activities (Statement A)	<u><u>\$ 613,475</u></u>

The accompanying notes are an integral part of this financial statement.

JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General Fund
REVENUES	
Sales taxes:	
Local collections	\$ 147,229
State appropriation	143,226
Miscellaneous	30,251
Intergovernmental	66,830
Interest	664
Total revenues	<u>388,200</u>
EXPENDITURES	
Personnel:	
Salaries - director	54,200
Salaries - other	95,316
Payroll taxes	3,782
Retirement	20,351
Employee health insurance	15,208
Advertising	43,785
Promotional	73,911
Operational:	
Tour	8,620
Merchandise	19,048
Dues and subscriptions	3,236
Insurance	5,416
Travel	15,326
Other operating expenses:	
Accounting services	7,150
Legal and professional	6,900
Equipment rentals	536
Repairs and maintenance	3,523
Telephone	4,667
Utilities and internet	4,640
Office	11,663
Postage	663
Total expenditures	<u>397,940</u>
Excess (deficiency) of revenues over (under) expenditures	(9,740)
Fund Balance - beginning	<u>594,500</u>
Fund Balance - ending	<u>\$ 584,760</u>

The accompanying notes are an integral part of this financial statement.

JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Fiscal Year Ended June 30, 2014**

Net change in fund balance, total governmental funds (Statement E)	\$ (9,740)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Other assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds.	
Change in prepaid expenses	784
Change in accrued interest receivable	(38)
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	
Increase in accumulated depreciation	(2,578)
General long-term debt of governmental activities are not payable from current resources and, therefore not reported in the governmental funds.	
Change in compensated absences payable	(133)
Change in net position of Government Activities (Statement B)	<u><u>\$ (11,705)</u></u>

The accompanying notes are an integral part of this financial statement.

Notes to Financial Statements

Notes to Financial Statements

1. Organization and Significant Accounting Policies

The mission of the Jefferson Davis Parish Tourist Commission (*the Commission*) is to promote and encourage recreational activities, the acquisition, preservation and development of historic and recreational sites, recreational facilities and tourist attractions. It operates a tourist information center within the Parish and employs an executive director and two full time and two part-time employees, all who coordinate advertisements and promotion of tourism for the Parish. The more significant of the Commission's accounting policies are described below.

A. Reporting Entity

The Commission was created by the Jefferson Davis Parish Police Jury pursuant to (LSA-RS 33:4574) through the passage of Parish Ordinance 579 on May 9, 1973. The District purposes shall be the promotion and encouragement of recreational activities, the acquisition, preservation and development of historic and recreational sites, recreational facilities and tourist attractions, and to engage in activities which would promote such development. The Commission has authority, within its boundaries, to exercise all powers necessary or convenient for the carrying out of such purposes.

Under the provision of Parish Ordinance 579, dated May 9, 1973, the District shall be governed and controlled by a board of commissioners composed of five members. Pursuant to Ordinance 579 these commissioners, appointed by the Jefferson Davis Parish Police Jury, assume their duties for an unstated term and shall serve without compensation.

As the governmental authority of the parish, for reporting purposes, the Jefferson Davis Parish Policy Jury is the financial reporting entity for Jefferson Davis Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

GASB Statement No. 14, *The Reporting Entity*, as amended by GASB Statement No. 61 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations of which the nature and significance of their relationship with the primary government is such that exclusion of these organizations from the primary government's financial statements would be misleading. Therefore, an organization is considered to be a component unit of the police jury if one of the following criteria is met:

- (1) Appointing a voting majority of an organization's governing body, and (a) the ability of the police jury to impose its will on that organization or (b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- (2) Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury and there is the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

Jefferson Davis Parish Tourist Commission
June 30, 2014

Notes to Financial Statements

Reporting Entity (continued)

- (3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The police jury appoints a voting majority of the board and has the ability to impose its will on the organization; therefore the Commission was determined to be a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Joint Venture

The Jefferson Davis Parish Economic Development Commission is a joint venture with the City of Jennings and the Town of Welsh which was formed to enhance the economic development of Jefferson Davis Parish. This commission has not been included in the reporting entity. Financial Statements for this joint venture can be obtained from the Jefferson Davis Parish Economic Development Commission.

C. New Accounting Pronouncement

In June 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 68 must be implemented by the Commission for the year ending June 30, 2015. The effect of implementation on the Commission's financial statements has not yet been determined.

Notes to Financial Statements

D. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions.

The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activities of the entity and for each function of the entity's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of a governmental entity are classified into two categories: governmental and proprietary (enterprise). The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund or meets the following criteria:

Notes to Financial Statements

Fund Financial Statements (FFS) (continued)

- a. Total assets, liabilities, revenues, or expenditures/expense of that individual governmental or enterprises fund are at least 10 percent of the corresponding total for all funds of that category or type: and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are a least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the *Commission* are described below:

Governmental Funds:

General Fund – The General Fund is the general accounting fund of the Jefferson Davis Parish Tourist Commission. It accounts for all financial resources, except for those required to be accounted for in other funds.

E. Measurement Focus / Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item (b) below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a) All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b) The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Notes to Financial Statements

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expense are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expense, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligations bond principal and interest which are reported when due. The proprietary fund utilizes the accrual basis of accounting.

Under the accrual basis of accounting, revenues are recognized when earned and expense are recorded when the liability is incurred or economic asset used.

When both restricted and unrestricted resources are available for use, it is the Commissions policy to use restricted resources first, then unrestricted resources as they are needed.

Revenues –Sales tax revenues are collected by the Jefferson Davis Parish School Board and are remitted to the Commission monthly. Taxes are remitted in the month following collection and are considered measurable at the month of collection. Accordingly, sales taxes collected in June 2014 and remitted in July 2014 have been reported as a receivable.

Each fiscal year, the Louisiana Legislature has the authority to appropriate funds from state sales tax collections to be distributed to tourist and convention commissions throughout the state to be used for tourism development, including support for historic preservation and arts and humanities. The amount appropriated by the state is limited to state sales taxes on hotels and motels within Jefferson Davis Parish. The amounts appropriated by the state have been recorded in these financial statements. Payments are remitted quarterly.

F. Budgetary Practices

The Commission has adopted a budget for its general fund. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Commission. Budgeted amounts in the accompanying financial statements include all amendments. All budgeted amounts, which are not expended or obligated through contracts, lapse at year end. The Commission's budget is materially consistent with accounting principles generally accepted in the United States of America.

Jefferson Davis Parish Tourist Commission
June 30, 2014

Notes to Financial Statements

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposit, money market accounts, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

H. Capital Assets

In the fund financial statements (FFS), fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

In the government-wide financial statements (GWFS), fixed assets are accounted for as capital assets. The Jefferson Davis Parish Tourist Commission maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets, which include building, improvements, furniture and fixtures, and other assets, are to be reported in the governmental columns in the government-wide financial statements. All capital assets are valued at historical cost or if contributed property, at their estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful life by type of assets is as follows:

Vehicles	5 years
Improvements	5-20 years
Furniture and equipment	5-10 years
Other	5-20 years

I. Compensated Absences

Employees accrue earned vacation on a monthly basis according to years of service. Employees are permitted to carry forward a maximum of one-third (1/3) of their annual earned vacation with a maximum of 20 days. Employees accrue sick leave at the rate of twelve days per year. Sick leave is cumulative up to a maximum of 130 days. Upon termination of employment, employees are paid any unused vacation leave, but any remaining sick leave is forfeited. At June 30, 2014, the Commission had accrued vacation leave of \$4,375

Notes to Financial Statements

J. Pension Plan

All full time eligible employees are members of the statewide retirement system: Parochial Employees' Retirement System of Louisiana (PERS). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan is as follows:

Plan Description. Substantially all full time employees are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All participating employees are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from Commission funds are eligible to participate in the System.

Effective July 1, 1997, new employees age 55 and older and who have 40 quarters or more of social security participation have an option to join the parochial system. New employees meeting the age and social security criteria have up to 90 days from the date of hire to elect to participate. Under Plan A, employees who were hired prior to January 1, 2007, may retire at or after age 65 with at least 7 years of credited service, at age 60 with at least 10 years of credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service and employees who were hired after January 1, 2007, may retire at age 67 with at least 7 years of credited service, at age 62 with at least 10 years of credited service, or at age 55 with at least 30 years of credited service, are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average compensation for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average compensation plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980 plus 3 percent of final-average salary for each year of service credited after the revision date. Final-average compensation is defined as the average of the highest consecutive 36 months' salary for members hired prior to January 1, 2007. For members hired January 1, 2007 and later, final average compensation shall be defined as the average of the highest consecutive 60 months' salary. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Notes to Financial Statements

Pension Plan (continued)

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Jefferson Davis Parish Tourist Commission is required to contribute at a statutory rate based on actuarially determined computations. The current rate is 16.00% of covered payroll. Contributions to the System also include one fourth of one percent of the taxes shown to be collectible (except for Orleans and East Baton Rouge parishes) by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Jefferson Davis Parish Tourist Commission are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. The Jefferson Davis Parish Tourist Commission contribution to the System under Plan A for the year ending June 30, 2014, 2013, and 2012 was \$20,351, \$17,228, and \$15,187 respectively, equal to the required contribution for each year.

K. Equity Classifications

Government-Wide Statements – Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consist of capital assets including restricted capital assets, net of accumulated depreciation and related debt.
- b. Restricted net position – consist of net resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net resources that do not meet the definition of “restricted” or “net investment in capital assets, net of related debt”.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Commission applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by the Commission at the incurrence of the expense.

Governmental Fund Statements – Equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable fund balance – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balance – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Jefferson Davis Parish Tourist Commission
June 30, 2014

Notes to Financial Statements

Governmental Fund Statements (continued)

Committed fund balance – amounts that can be used for specific purposes determined by a formal action of the Board of Directors. The Board of Directors is the highest level of decision-making authority for the Jefferson Davis Parish Tourist Commission. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.

Assigned fund balance – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Commission's policy, only board members may assign amounts for specific purposes.

Unassigned fund balance – all other spendable amounts.

As of June 30, 2014 the General Fund has an unassigned fund balance of \$584,760. The Commission would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

L. Advertising

Advertising costs are recorded as an expenditure when they are paid.

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

N. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Jefferson Davis Parish Tourist Commission, which are either unusual in nature or infrequent in occurrence. During the year ended June 30, 2014, the Commission had no extraordinary or special items.

O. Date of Management's Review

Subsequent events were evaluated through December 31, 2014, which is the date the financial statements were available to be issued.

Jefferson Davis Parish Tourist Commission
June 30, 2014

Notes to Financial Statements

2. Deposits and Investments

A. Deposits

As of June 30, 2014, the Commission has cash and interest-bearing deposits (book balances) as follows:

<u>Deposit Type</u>	<u>Governmental Activities</u>
Cash on hand	\$ 50
Interest-bearing deposits	322,810
Time deposits (maturities less than 90 days)	-
Total	<u>\$ 322,860</u>

Additionally, the Commission has certificates of deposit totaling \$186,051 on deposit in local banks which are presented as investments in the financial statements.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be recovered. Under state law, the Commission's deposits (or resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the Commission or the pledging bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2014, the Commission has \$517,040 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$436,051 of federal deposit insurance and \$80,989 of pledged securities held by the custodial bank in the name of the Commission. As such, these deposits are not considered subject to custodial credit risk according to GASB Statement No. 3.

B. Investments

At June 30, 2014 the Commission had the following investments and maturities:

<u>Investment Type</u>	<u>% of Portfolio</u>	<u>Fair Value</u>	<u>Investments Maturities (in Years)</u>	
			<u>Less than 1</u>	<u>1-5</u>
Certificates of deposits- (maturities exceeding 90 days)	100%	\$ 186,051	\$ 186,051	\$ -

June 30, 2014

Notes to Financial Statements

Credit Risk – Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission does not have a written investment policy, but does adhere to state laws regarding allowable investments. The certificates of deposit are not rated.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As discussed previously, certificates of deposit are considered fully collateralized under the provisions of GASB Statement 3. Accordingly, the Commission had no custodial credit risk related to its investments of June 30, 2014.

Concentration of Credit Risk – The Commission places no limit on the amount it may invest in any one issuer. All investments are invested in Certificates of Deposit with First Guaranty Bank.

3. Receivables

The following is a summary of receivables at year end:

	<u>Governmental Activities</u>
Local sources:	
Taxes:	
Sales and use	\$ 12,519
Other revenues	15,257
State sources:	
State appropriations	<u>64,104</u>
Total as reported in government-wide statement	<u><u>\$ 91,880</u></u>

4. Capital Assets:

Capital assets activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Improvements	\$ 38,666	\$ -	\$ -	\$ 38,666
Less: Accumulated Depreciation	5,843	2,578	-	8,421
Capital assets, net	<u>\$ 32,823</u>	<u>\$ (2,578)</u>	<u>\$ -</u>	<u>\$ 30,245</u>

Depreciation expense of \$2,578 was charged to governmental activities: Promotion of Tourism

Jefferson Davis Parish Tourist Commission
June 30, 2014

Notes to Financial Statements

5. Risk Management

The Commission is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Commission has elected to continue coverage through the City of Jennings commercial insurance policy. The City of Jennings is insured up to policy limits for each of the above risks. There were no significant changes in the coverage's, retentions, or limits during the year ended June 30, 2014. There were no settled claims exceeding the commercial coverage's in any previous three fiscal years.

6. Litigation and Claims

Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated. No claim expenditures or liabilities are reported in the accompanying financial statements. The Commission is not presently involved in any litigation as defendant.

7. Contract Commitments

The Jefferson Davis Parish Tourist Commission participates in several tourism promotional magazines and annuals requiring contractual agreements. The minimum future payments under these contracts are as follows:

Year ended June 30, 2015	\$ 23,848
Year ended June 30, 2016	-
Year ended June 30, 2017	-
Year ended June 30, 2018	-
Year ended June 30, 2019	-
	<u>\$ 23,848</u>

8. Related Party Transactions

Pursuant to the \$75,000 contribution agreement between the Jefferson Davis Parish Economic Development Commission and the Jefferson Davis Parish Tourist Commission, the Board of Directors established a Cooperative Endeavor Agreement. It was agreed the Jefferson Davis Parish Tourist Commission would provide, in lieu of their annual \$75,000 contribution, all management and jointly provide equipment and services to the Jefferson Davis Economic Development Commission. In turn, the Jefferson Davis Parish Economic Commission would pay the Jefferson Davis Tourist Commission a management fee. For the year ended June 30, 2014, the Commission has received \$47,500.

Jefferson Davis Parish Tourist Commission
June 30, 2014

Notes to Financial Statements

9. Economic Development Commission Joint Venture

The Jefferson Davis Parish Tourist Commission in conjunction with the City of Jennings and the Town of Welsh has entered into an agreement to create the Jefferson Davis Parish Economic Development Commission (EDC). The EDC was chartered on January 30, 2007. The purpose is to act as an agency to enhance economic development and sustainable growth in Jefferson Davis Parish. According to the charter, each member is responsible for contributing an amount equal to the percentage of ownership that the member holds in the commission. The annual proportion of participation shall be as follows:

<u>Member</u>	<u>Percentage</u>	<u>Not to Exceed</u>
City of Jennings	39.50%	\$ 75,000
Jefferson Davis Parish Tourist Commission	39.50%	75,000
Town of Welsh	21.00%	40,000

The EDC consists of seven commissioners as follows: three residents of the City of Jennings, three representatives appointed by the Jefferson Davis Parish Tourist Commission, and one resident of the Town of Welsh.

The EDC members are to be appointed by the governing body of their place of residence. The EDC has the power and authority to employ a director to oversee and manage the operation of the commission office, hire other staff as needed, adopt its own budget, and enter into contracts for professional services necessary for the operations of the EDC.

The EDC is a Governmental Fund and the Jefferson Davis Parish Tourist Commission has not included its 39.5% share of net position in these financial statements.

Condensed financial information for the Jefferson Davis Economic Development Commission as of December 31, 2013 (the latest available audited financial statements) is as follows:

	<u>Total</u>	<u>Commission</u>
Total assets	\$ 48,645	\$ 19,215
Total liabilities	2,216	875
Net Position	<u>\$ 50,861</u>	<u>\$ 20,090</u>
Total program revenues	\$ 90,000	\$ 35,550
General revenues	11,833	4,674
Total expenses	\$ 132,456	\$ 52,320
Change in net position	(30,623)	(12,096)

As of December 31, 2013, the EDC had no long-term debt outstanding.

10. Board of Directors Compensation

The Board of Directors is a voluntary board; therefore no compensation has been paid to any member.

Required Supplemental Information

JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable /
				(Unfavorable)
REVENUES				
Sales taxes:				
Local collections	\$ 137,000	\$ 150,000	\$ 147,229	\$ (2,771)
State appropriation	112,000	115,000	143,226	28,226
Miscellaneous revenue	20,000	63,300	30,251	(33,049)
Intergovernmental revenue	40,800	53,900	66,830	12,930
Interest income	500	500	664	164
Total revenues	<u>310,300</u>	<u>382,700</u>	<u>388,200</u>	<u>5,500</u>
EXPENDITURES				
Personnel:				
Salaries - director	54,200	54,200	54,200	-
Salaries - other	85,185	93,600	95,316	(1,716)
Payroll taxes	4,300	4,300	3,782	518
Retirement expense	17,000	17,000	20,351	(3,351)
Advertising	40,000	40,000	43,785	(3,785)
Promotional	27,000	97,000	73,911	23,089
Operational:				
Tour expense	10,000	10,000	8,620	1,380
Merchandise expense	12,000	12,000	19,048	(7,048)
Dues & subscriptions	3,500	3,500	3,236	264
Insurance	22,300	22,300	20,623	1,677
Travel expense	10,000	16,000	15,326	674
Other operating expenses:				
Accounting	7,000	7,000	7,150	(150)
Legal & professional	8,000	8,000	6,900	1,100
Equipment rentals	500	500	536	(36)
Repairs and maintenance	4,250	4,250	3,523	727
Telephone	3,000	3,000	4,667	(1,667)
Utilities	3,000	3,000	4,640	(1,640)
Office expense	9,000	9,000	11,663	(2,663)
Postage	750	750	663	87
Total expenditures	<u>320,985</u>	<u>405,400</u>	<u>397,940</u>	<u>7,460</u>
Excess (deficiency) of revenues over (under) expenditures	(10,685)	(22,700)	(9,740)	(1,960)
Fund balance - beginning	<u>594,500</u>	<u>594,500</u>	<u>594,500</u>	<u>-</u>
Fund balance - ending	<u>\$ 583,815</u>	<u>\$ 571,800</u>	<u>\$ 584,760</u>	<u>\$ (1,960)</u>

See accompanying notes to Budgetary Comparison Schedule.

Jefferson Davis Parish Tourist Commission
June 30, 2014

Notes to Budgetary Comparison Schedules

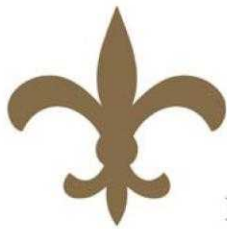
1. Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Commission. Legally, the Commission must adopt a balanced budget; that is total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Commission to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and /or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

2. Explanation of Significant Difference Between Original and Final Budget

Miscellaneous revenue in the original budget was significantly lower than in the final budget. When the final budget was adopted, the commission anticipated receiving additional funding for the Flyway Byway plan. Promotional expenses are significantly higher in the final budget than in the original budget. The increase was due to additional expenses for the Flyway Byway plan that was not anticipated when the original budget was adopted.

Other Reports



J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546
768 Parish Line Road • DeRidder, Louisiana 70634

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
With *Governmental Auditing Standards***

Board of Commissioners
Jefferson Davis Parish Tourist Commission
Jennings, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Jefferson Davis Parish Tourist Commission (the Commission) basic financial statements and have issued our report thereon dated December 31, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jefferson Davis Parish Tourist Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in blue ink that reads "J. Aaron Cognie, CPA, LLC". The signature is written in a cursive, flowing style.

Certified Public Accountant

Jennings, Louisiana
December 31, 2014

JEFFERSON DAVIS PARISH TOURIST COMMISSION
Jennings, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Current Year Audit Findings

<u>Ref No</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
No current year findings.		

Management's Status of Prior Year Audit Findings

<u>Ref No</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
No prior year findings.		